

Africa fund marks change of investment strategy

By Yao Jing (China Daily)

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China is changing the way it invests in Africa, with a new wave of projects to be supported under a \$2 billion agreement signed on Thursday by the People's Bank of China and the African Development Bank.

The establishment of the Africa Growing Together Fund marks the first time that China is putting money into Africa through a multilateral institution rather than working directly with individual local governments.

The fund will provide 10 years of support for eligible sovereign and nonsovereign guaranteed development projects in Africa, according to the official website of the Chinese central bank.

"We are strengthening financial cooperation, and this new initiative supplements our traditional cooperation with Africa," the Xinhua News Agency quoted PBOC Governor Zhou Xiaochuan as saying on the sidelines of the ADB's annual meeting.

The importance of this move is significant in terms of the relationship of China and the ADB, the African institution's president Donald Kaberuka said. He said China is a friend of Africa that has invested in infrastructure and natural resource projects, according to Xinhua.

Zhou said that China wants to do more to develop Africa's industrial facilities and infrastructure. The fund is expected to start operations and provide support to some projects before the end of this year. Any project bids will adhere to the ADB's rules.



Decoding China's investment in Africa



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